

**USBR/Western Customer Funding Program
Technical Committee Meeting
August 17, 2001
9:00 at Western Area Power Administration**

Draft Minutes

1. Call to order by Chairman/Secretary

2. Roll Call (Normal attendees; x marks attendees)

(X) Charles Cooper, Western (M)	(X) Ed Roman, SMUD (M)	() Joe Ungvari, DOE (A)
(X) Cyndi Calvillo, Western (L)	() Barry Mortimeyer, USBR (M)	() Mark Clark, DOE (M)
() Russ Klein, BART (M)	() Janice Bartlett, USBR (A)	(X) Dan Netto, USBR (A)
(X) Stuart Robertson, Irrigation (M)	() Matt Foskett, NCPA (A)	(X) Bill Reichmann, SVP (M)
(P) Tom Kabat, Palo Alto (M)	() Lowell Watros, Redding (M)	(X) Tom Ruthford, USBR (L)
() Martin Bauer, USBR (A)	(X) Mike Brozo, NCPA (M)	

3. Review Prior Minutes - The June 5, 2001 Minutes were approved as Submitted.

4. Reports

A. **Governance Board** - Draft Minutes from July 31 Governance Board Meeting notes were distributed and discussed. Board Minutes were discussed and all action items were added to today's agenda.

B. **Finance Committee** - Finance Committee will meet on August 24, 2001. Customer meeting is scheduled for August 29, 2001 and follow-up Finance Committee meeting is scheduled for August 30, 2001. Topics are the Funding Process and what level the Customers are Funding. It appears the Customers will fund \$20.9 million of the \$23.7 million budget.

Billing and Crediting Plan was sent out with bills last week.

- **Calendar Matrix Update** – Handed out by Tom Ruthford. Next milestone is for Governance Board to Approve Reclamation's 04 budget by September.

C. **Other – Powerformer** - Second Draft of Report presently out for comment. Ed mentioned there is some question on how to perform the economic analysis to ensure equity in rating value of powerformer verses traditional unit. Report will look at feasibility on both at technical and economic levels. Report was due out in June but has slipped. Once report is out, Reclamation's management will perform economic study to see if Folsom Unit 1 is a feasible application for a Powerformer.

D. **FY00 Project Status**

- Keswick Trash Rake – in fabrication; delivery in November
- Spring Creek ACB Retrofit – out to bid; award expected mid-September
- Spring Creek Transformer Refurbishment – out to bid; award expected September 10; outage scheduled for October 16.

5. Accept New Action Items

- A. Carr and New Melones Runner Cost/Benefit Analyses Report (Reclamation) – Copies of an economic analysis was handed out for both New Melones and Spring Creek Runner Replacements. Using the Western rate of 20.08/MWh, both facilities showed an economical advantage for replacing the runners with a Benefit/Cost Ratio of about 1.3. At the Gas-Fired Combined Cycle production cost of \$54.34/MWh, the B/C was around 3.0. The study at Carr was done using historical average flows. With reductions due to new operating criteria of the Trinity River, the Carr replacement would decrease but still remains attractive. The Technical Committee encourages Reclamation to continue with the replacements at both facilities and seek Appropriated funds.
- B. Draft Customer Letter to Reclamation (Customers) – Bill Reichmann volunteered to draft a letter to Reclamation as requested by the Governance Board.
- C. FY04 “Reduced” Customer Funding Plan - Several options were discussed to reduce funding. The Technical Committee continues to encourage full funding but given a shortfall, the TC recommends the funding be cut from the Power Operations Division (Alt 1 of Attachment FY2004 Preferred Alternative Customer O&M Funding Plan). The second alternative would be to cut the funds from the Dams (Alt 2) and the least preferred alternative would be to cut the Non-Emergency Expenditures from line 11 (Alt 3).
- D. FY05 Customer Funding Plan – Tom Ruthford handed out a draft plan for FY05. He had questioned some formatting and procedural processes. Feedback was favorable that Tom was doing what Committee members were looking for.
- E. Summarize Water/Power Optimization Workgroup Meetings (Reclamation) – Deferred until next meeting when Barry is present.
- F. Shasta Unit 1 & 2 Runners - There was a question by the customers if Reclamation has studied the value of installing U1&2 given the diminishing returns of adding a fourth and fifth runner. Additionally, the customers asked Reclamation for the due date for implementing the options to purchase the forth and fifth runners and the cost.
- G. Outages on Shasta Runner Replacements – Dave Poore had suggested that the 9-month estimate did include some double shifts and did not have much room for improvement especially because it was the first one. He did however say that given additional funding, it might be possible to reduce the outage. The Technical Committee requested a response from Reclamation as to how much time we believe we can cut off the 9 months and at what price. This is being prepared.

6. Prioritize Action Items

7. Address Open Action Items:

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| 01/04/2000-1 | Cumulative RAX Summary Spreadsheet – Ed | No Progress to report at this time |
| 03/01/2000-3 | Rapid Return to Service for Excess Capacity – Tom/Martin | No Progress to report at this time |
| 05/01/2001-02 | Change Deci-tool to Reflect Capacity Loss –Western | No Progress to report at this time |
| 05/01/2001-04 | 100% RAX Funding Impediments -- Barry | No Progress to report at this time |

8. Future Meetings:

Budget Committee	August 24, 2001	10:00a.m.	Western
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Budget Committee	August 30, 2001	10:00a.m.	Western
Technical Committee Meet	October 17, 2001	9:00 a.m.	Redding
Technical Committee Meet	December 11, 2001	9:00 a.m.	SMUD, Timberline #2 (3 rd Floor)
Governance Board Meet	February 6, 2002	9:00 a.m.	Western

9. Adjourn